Annual Financial Report

Town of Pierce

Pierce, Colorado

For the Year Ended December 31, 2021

Tim Chavies & Associates, Inc.

Certified Public Accountants
1707 61st Avenue, Suite 101
Greeley, Colorado 80634
(970) 356-2284 / Fax (970) 353-9701

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December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Town of Pierce
Pierce, Colorado

Opinions
We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Pierce, State of Colorado, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund, and the aggregate remaining fund information of the Town of Pierce, State of Colorado as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Pierce, State of Colorado, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Pierce, State of Colorado's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Pierce, State of Colorado's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Pierce, State of Colorado's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8 and budgetary comparison information on pages 30-34 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Pierce, State of Colorado's basic financial statements. The budgetary comparisons on pages 35-40 and the local highway finance report on pages 41-42 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparisons on pages 35-40 and the local highway finance report on pages 41-42 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Tim Chavies & Associates, Inc.

Greeley, Colorado
July 1, 2022

Tim Chavies & Associates, Inc.
Certified Public Accountants

TOWN OF PIERCE
P.O. Box 57
Pierce, Colorado 80650
(970) 834-2851 Fax (970) 834-2755

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

This section of Town of Pierce, State of Colorado's (Town) 2021 annual financial report presents management's discussion and analysis of the Town's financial performance for the year ended December 31, 2021. The Management Discussion and Analysis ("MD&A") should be read in conjunction with the Town's financial statements, including the notes to financial statements and supplemental information that immediately follow this section.

ORGANIZATION AND PURPOSE
The Town was incorporated in 1918 as a political subdivision of the State of Colorado and operated under a Town Board form of government. The following services are provided by the Town: public safety, public works (streets, trash, communicable disease control, street lighting), parks and recreation, water and sewer service and general administration.

FINANCIAL HIGHLIGHTS
- The net position of the Town increased by $653,488 during 2021, compared to $538,270 in 2020. The increase was due to property and sales tax increase, licenses and permits increase.

- The Town capitalized $509,826 of capital assets, and recorded depreciation of $151,347 during 2021. In 2020 the Town capitalized $377,933 and recorded depreciation of $159,630.

- Total revenues for the governmental funds were $1,070,279 in 2021 compared to $735,131 in 2020, an increase of $335,148 or 45.59%. Total expenditures were $871,151 in 2021 compared to $582,066 in 2020, an increase of $289,085 or 49.67%.

- Total operating revenues for the proprietary funds were $816,212 in 2021 compared to $792,412 in 2020, an increase of $23,800 or 3.00%. Total operating expenditures were $816,718 in 2021 compared to $772,120 in 2020, an increase of $44,598 or 5.78%.

OVERVIEW OF THE FINANCIAL STATEMENTS
The Town's financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the financial statements themselves.

Government-Wide Financial Statements are comprised of the Statement of Net Position and the Statement of Activities. These two statements are designed to provide readers with a broad overview of the Town's finances utilizing the full accrual method of accounting.

The Statement of Net Position presents information on all of the Town's assets, deferred outflows of resources and liabilities and deferred inflows of resources, including capital assets and long-term liabilities with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include the General Fund and Conservation Trust Fund. The business-type activities of the Town include the Water Fund and Sewer Fund. The Town does not have any component units.

Fund Financial Statements focus on current available resources and are organized and operated on the basis of funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements utilize the modified accrual basis of accounting, which focuses on near-term inflow and outflow of spendable resources, as well as on balances on spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements. The Town maintains two governmental funds (General and Conservation Trust).

Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail. These funds are used to account for services in which the Town charges customers a fee. The Town maintains two proprietary funds (Water and Sewer).

The Town does not have any **Fiduciary Funds.**

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide, business-type activities and fund financial statements.

Other Information includes certain required supplementary information containing budgetary comparison schedules of revenues, expenditures and changes in fund balances for all funds.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Condensed financial information from the **Statement of Net Position** at December 31, 2021:

	Governmental Activities	Business-Type Activities	Total
Current and other assets	$ 1,950,007	$ 1,362,166	$ 3,312,173
Noncurrent assets	737,777	6,230,258	6,968,035
Total Assets	**2,687,784**	**7,592,424**	**10,280,208**
Total Deferred Outflows	**-**	**-**	**-**
Current liabilities	63,554	56,976	120,530
Noncurrent liabilities	51,626	-	51,626
Total Liabilities	**115,180**	**56,976**	**172,156**
Unearned revenues - property taxes	324,721	-	324,721
Total Deferred Inflows	**324,721**	**-**	**324,721**
Net investment in capital assets	541,303	6,230,258	6,771,561
Restricted	262,674	-	262,674
Unrestricted	1,443,906	1,305,190	2,749,096
Total Net Position	**$ 2,247,883**	**$ 7,535,448**	**$ 9,783,331**

The restricted portion of net position ($262,674) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($2,749,096) may be used to meet the Town's obligations to citizens and creditors.

Condensed financial information from the **Statement of Activities** at December 31, 2021:

Revenues	Governmental Activities	Business-Type Activities	Total
Program Revenues:			
Charges for services	$ 70,763	$ 791,571	$ 862,334
Capital contributions	-	-	-
General Revenues:			
Taxes	826,412	-	826,412
Licenses and permits	21,668	-	21,668
Intergovermental revenues	108,172	-	108,172
Fines and forfeitures	27,765	-	27,765
Earnings on investment	255	73	328
Other	314,637	24,641	339,278
Total Revenues	**1,369,672**	**816,285**	**2,185,957**
Expenses:			
General government	342,039	-	342,039
Public safety	135,688	-	135,688
Public works	157,635	-	157,635
Health and welfare	-	-	-
Culture - recreation	78,401	-	78,401
Other	1,988	-	1,988
Water	-	405,011	405,011
Sewer	-	411,707	411,707
Total Expenses	**715,751**	**816,718**	**1,532,469**
Change in Net Position	**653,921**	**(433)**	**653,488**
Net Position - beginning	1,593,962	7,535,881	9,129,843
Net Position - ending	**$ 2,247,883**	**$ 7,535,448**	**$ 9,783,331**

Net position increased to $9,783,331, an increase of $653,488 from 2020. The increase due to property and sales tax increases, license and permit increases, and capital outlay of $509,826, less depreciation expense of $151,347.

FINANCIAL ANALYSIS OF THE FUNDS

Governmental funds: The Town's functions are reported in the General Fund and Conservation Trust Fund. The focus of these funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of the Town's net resources available for spending at the end of its fiscal year.

As of December 31, 2021, the Town's governmental funds reported combined ending fund balances of $1,716,617 an increase of $560,350 in comparison with 2020. Approximately 19.22% of this total amount ($329,992) constitutes *unassigned* fund balance, which is available for spending at the government's discretion. The reminder of the fund balance is *restricted* to indicate that it is not available for new spending because it has already been committed for encumbrances or Tabor.

Proprietary funds: The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Fiduciary funds: As mentioned earlier, the Town does not have any of these types of funds.

Budgetary Highlights

The budgets are prepared in accordance with accounting principles generally accepted in the United States of America. Budget and actual comparison schedules are provided in the other supplementary information section of this report. The budget and actual comparison schedules show the original adopted budget, the final revised budget, actual results, and variance between the final budget and actual results for all funds.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets (Net of Depreciation)

	Governmental Activities	Business-Type Activities	Total
Land	$ 221,878	$ 26,220	$ 248,098
Water rights	-	2,606,165	2,606,165
Utility systems	-	5,506,918	5,506,918
Buildings and improvements	521,531	-	521,531
Machinery and equipment	356,300	151,779	508,079
Total Capital Assets	**1,099,709**	**8,291,082**	**9,390,791**
Less: Accumulated depreciation	(504,322)	(2,060,824)	(2,565,146)
Net Capital Assets	**$ 595,387**	**$ 6,230,258**	**$ 6,825,645**

Capital assets – net of depreciation increased $358,479 during 2021 due to capital outlay (assets acquired) less depreciation (See Note 7 for further discussion).

DEBT ADMINISTRATION

The Town acquired debt in 2021 with the finance purchase of a Kubota tractor. (See Note 9 for further discussion).

ECONOMIC FACTORS

The Town saw an increase in property tax and sales tax, which can be correlated with Rimrock Energy Partners, LLC.

FINANCIAL CONTACT

This financial report is designed to provide a general overview of the Town's finances for those who have an interest in the Town. If you have any questions about the report or need additional financial information, please contact Kristina Duran, Town Clerk at 144 Main Street, Pierce, Colorado 80650. Phone (970) 834-2851.

BASIC FINANCIAL STATEMENTS

TOWN OF PIERCE, COLORADO

Statement of Net Position

Government-Wide

December 31, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 973,082	$ 698,912	**$ 1,671,994**
Cash on deposit - Weld County Treasurer	4,565	-	**4,565**
Local government investment pools	461,346	545,580	**1,006,926**
Accounts receivable	185,561	111,624	**297,185**
Accrued interest receivable	-	-	**-**
Property taxes receivable	324,721	-	**324,721**
Prepaid expenses	732	6,050	**6,782**
Internal balances	-	-	**-**
Total Current Assets	1,950,007	1,362,166	**3,312,173**
Noncurrent Assets			
Restricted Assets:			
Local government investment pools	142,390	-	**142,390**
Capital Assets:			
Land	221,878	26,220	**248,098**
Water rights	-	2,606,165	**2,606,165**
Utility systems	-	5,506,918	**5,506,918**
Buildings and improvements	521,531	-	**521,531**
Machinery and equipment	356,300	151,779	**508,079**
Total Capital Assets	1,099,709	8,291,082	**9,390,791**
Less: accumulated depreciation	(504,322)	(2,060,824)	**(2,565,146)**
Net Capital Assets	595,387	6,230,258	**6,825,645**
Total Noncurrents Assets	737,777	6,230,258	**6,968,035**
Total Assets	2,687,784	7,592,424	**10,280,208**
LIABILITIES			
Current Liabilities:			
Accounts payable	49,176	41,601	**90,777**
Payroll taxes payable	1,483	1,812	**3,295**
Accrued interest payable	101	-	**101**
Deposits	400	13,563	**13,963**
Current portion of long-term obligations	12,394	-	**12,394**
Total Current Liabilities	63,554	56,976	**120,530**
Noncurrent Liabilities:			
Compensated absences	9,936	-	**9,936**
Note payable - NCL governmental capital	53,384	-	**53,384**
Capital lease obligations	700	-	**700**
Less: portion due within one year	(12,394)		**(12,394)**
Total Noncurrent Liabilities	51,626	-	**51,626**
Total Liabilities	115,180	56,976	**172,156**
DEFERRED INFLOWS			
Unearned revenue - property taxes	324,721	-	**324,721**
NET POSITION			
Net investment in capital assets	541,303	6,230,258	**6,771,561**
Restricted	262,674	-	**262,674**
Unrestricted	1,443,906	1,305,190	**2,749,096**
Total Net Position	$ 2,247,883	$ 7,535,448	**$ 9,783,331**

TOWN OF PIERCE, COLORADO

Statement of Activities

Government-Wide

December 31, 2021

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
				Primary Government		
Functions / Programs	Expenses	Charges for Services	Capital Contributions	Governmental Activities	Business-Type Activities	**Total**
Primary Government						
Governmental Activities:						
General government	$ (342,039)	$ -	$ -	$ (342,039)	$ -	**$ (342,039)**
Public safety	(135,688)	-	-	(135,688)	-	**(135,688)**
Public works	(157,635)	70,163	-	(87,472)	-	**(87,472)**
Health and welfare	-	-	-	-	-	**-**
Culture - recreation	(78,401)	600	-	(77,801)	-	**(77,801)**
Interest on long-term debt	(1,988)	-	-	(1,988)	-	**(1,988)**
Total Governmental Activities	(715,751)	70,763	-	(644,988)	-	**(644,988)**
Business-Type Activities:						
Water fund	(405,011)	391,308	-	-	(13,703)	**(13,703)**
Sewer fund	(411,707)	400,263	-	-	(11,444)	**(11,444)**
Total Business-Type Activities	(816,718)	791,571	-	-	(25,147)	**(25,147)**
Total Primary Government	$ (1,532,469)	$ 862,334	$ -	(644,988)	(25,147)	**(670,135)**
	General Revenues:					
	Taxes			826,412	-	**826,412**
	Licenses and permits			21,668	-	**21,668**
	Intergovernmental revenue			108,172	-	**108,172**
	Fines and forfeitures			27,765	-	**27,765**
	Miscellaneous income			29,858	24,641	**54,499**
	Sale of assets			-	-	**-**
	Grants			284,779	-	**284,779**
	Insurance proceeds			-	-	**-**
	Interest income			255	73	**328**
	Transfers			-	-	**-**
	Contributions			-	-	**-**
	Total General Revenues			1,298,909	24,714	**1,323,623**
	Change in Net Position			653,921	(433)	**653,488**
	Net Position-beginning of year			1,593,962	7,535,881	**9,129,843**
	Net Position-end of year			$ 2,247,883	$ 7,535,448	**$ 9,783,331**

TOWN OF PIERCE, COLORADO

Balance Sheet

Governmental Funds

December 31, 2021

	General	Conservation Trust	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 959,078	$ 14,004	**$ 973,082**
Cash on deposit - Weld County Treasurer	4,565	-	**4,565**
Local government investment pools	367,838	93,508	**461,346**
Accounts receivable	185,561	-	**185,561**
Accrued interest receivable	-	-	**-**
Property taxes receivable	324,721	-	**324,721**
Prepaid expenses	732	-	**732**
Due from other funds	26,320	-	**26,320**
Total Current Assets	1,868,815	107,512	**1,976,327**
Noncurrent Assets			
Restricted local government investment pools	142,390	-	**142,390**
Total Noncurrent Assets	142,390	-	**142,390**
Total Assets	$ 2,011,205	$ 107,512	**$ 2,118,717**
LIABILITIES			
Current Liabilities:			
Accounts payable	$ 49,176	$ -	**$ 49,176**
Payroll taxes payable	1,483	-	**1,483**
Deposits	400	-	**400**
Due to other funds	-	26,320	**26,320**
Total Current Liabilities	51,059	26,320	**77,379**
Total Liabilities	51,059	26,320	**77,379**
DEFERRED INFLOWS			
Unearned revenue - property taxes	324,721	-	**324,721**
Total Liabilities & Deferred Inflows	375,780	26,320	**402,100**
FUND BALANCE			
Non-spendable - prepaids	732	-	**732**
Restricted:			
Tabor	42,082	-	**42,082**
Parks and recreation	-	78,202	**78,202**
SLRFR program	142,390	-	**142,390**
Committed - subsequent year's expenditures	1,120,229	2,990	**1,123,219**
Assigned	-	-	**-**
Unassigned	329,992	-	**329,992**
Total Fund Balance	1,635,425	81,192	**1,716,617**
Total Liabilities, Deferred Inflows & Fund Balance	$ 2,011,205	$ 107,512	**$ 2,118,717**

Reconciliation of the Balance Sheet to the Statement of Net Position

Total Governmental Fund Balance	**$ 1,716,617**
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the governmental fund financial statements:	
Capital assets	**1,099,709**
Less: accumulated depreciation	**(504,322)**
Long-term liabilities, including capital leases, are not due and payable in the current period, therefore, they are not reported in the governmental fund financial statements:	
Compensated absences	**(9,936)**
Note payable	**(53,384)**
Capital lease obligations	**(700)**
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditure is reported when due:	
Accrued interest payable	**(101)**
Net Position of Governmental Activities	**$ 2,247,883**

See accompanying notes to the basic financial statements

TOWN OF PIERCE, COLORADO

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

December 31, 2021

	General	Conservation Trust	Total
Revenues:			
Taxes	$ 826,412	$ -	**$ 826,412**
Licenses and permits	21,668	-	**21,668**
Intergovernmental revenue	94,168	14,004	**108,172**
Charges for services	70,163	600	**70,763**
Fines and forfeitures	27,765	-	**27,765**
Miscellaneous revenues	30,103	10	**30,113**
Total Revenues	1,070,279	14,614	**1,084,893**
Expenditures:			
General government	329,823	-	**329,823**
Public safety	135,397	-	**135,397**
Public works	220,847	-	**220,847**
Health and welfare	-	-	**-**
Culture - recreation	174,752	-	**174,752**
Debt service	10,332	-	**10,332**
Total Expenditures	871,151	-	**871,151**
Excess (Deficiency) of Revenues over Expenditures	199,128	14,614	**213,742**
Other Financing Sources (Uses):			
Sale of assets	-	-	**-**
Contributions	-	-	**-**
Insurance proceeds	-	-	**-**
Loan proceeds	61,829	-	**61,829**
Grants	284,779	-	**284,779**
Transfers in	-	-	**-**
Transfers out	-	-	**-**
Total Other Financing Sources (Uses)	346,608	-	**346,608**
Net Change in Fund Balance	545,736	14,614	**560,350**
Fund Balance - beginning of year	1,089,689	66,578	**1,156,267**
Fund Balance - End of Year	$ 1,635,425	$ 81,192	**$ 1,716,617**

<u>Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities:</u>

Net Change in Fund Balance - Total Governmental Funds	**$ 560,350**
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate to those expenditures over the life of the assets:	
Capital assets sold	**-**
Capital asset purchases capitalized	**189,049**
Depreciation expense	**(39,588)**
Loan proceeds provide current financial resources to the governmental fund and repayment of debt principal is an expenditure in the governmental funds, but the proceeds increase and repayment reduces long-term liabilities in the statement of net position:	
Long-term debt proceeds	**(61,829)**
Long-term debt payments	**8,445**
Capital lease payments	**1,200**
Some expenses reported in statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:	
Change in compensated absences	**(3,605)**
Accrued interest payable	**(101)**
Change in Net Position of Governmental Activities	**$ 653,921**

See accompanying notes to the basic financial statements

TOWN OF PIERCE, COLORADO

Statement of Net Position

Proprietary Funds

December 31, 2021

	Business-Type Activities		
	Water	Sewer	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 488,729	$ 210,183	**$ 698,912**
Local government investment pools	12,138	533,442	**545,580**
Accounts receivable	80,688	30,936	**111,624**
Accrued interest receivable	-	-	**-**
Prepaid expenses	5,725	325	**6,050**
Due from other funds	-	-	**-**
Total Current Assets	587,280	774,886	**1,362,166**
Noncurrent Assets:			
Restricted Assets:			
Local government investment pools	-	-	**-**
Capital Assets:			
Land	2,273	23,947	**26,220**
Water rights	2,606,165	-	**2,606,165**
Utility systems	2,629,110	2,877,808	**5,506,918**
Machinery and equipment	46,986	104,793	**151,779**
Total Capital Assets	5,284,534	3,006,548	**8,291,082**
Less: Accumulated depreciation	(1,051,327)	(1,009,497)	**(2,060,824)**
Net Capital Assets	4,233,207	1,997,051	**6,230,258**
Total Noncurrent Assets	4,233,207	1,997,051	**6,230,258**
Total Assets	4,820,487	2,771,937	**7,592,424**
LIABILITIES			
Current Liabilities:			
Accounts payable	27,231	14,370	**41,601**
Payroll taxes payable	1,153	659	**1,812**
Accrued interest payable	-	-	**-**
Deposits	13,563	-	**13,563**
Due to other funds	-	-	**-**
Total Current Liabilities	41,947	15,029	**56,976**
Total Liabilities	41,947	15,029	**56,976**
DEFERRED INFLOWS			
Unearned revenue	-	-	**-**
Total Liabilities & Deferred Inflows	41,947	15,029	**56,976**
NET POSITION			
Net investment in capital assets	4,233,207	1,997,051	**6,230,258**
Restricted	-	-	**-**
Unrestricted:			
Designated for subsequent year's expenditures	257,995	203,150	**461,145**
Undesignated	287,338	556,707	**844,045**
Total Net Position	$ 4,778,540	$ 2,756,908	**$ 7,535,448**

TOWN OF PIERCE, COLORADO

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

December 31, 2021

	Business-Type Activities		
	Water	Sewer	Total
Operating Revenues:			
Charges for services	$ 391,308	$ 400,263	**$ 791,571**
Other revenue	13,086	11,555	**24,641**
Total Operating Revenues	404,394	411,818	**816,212**
Operating Expenses:			
System Operation and Maintenance:			
Salaries	38,710	36,372	**75,082**
Payroll taxes	3,004	3,004	**6,008**
Retirement	1,052	1,052	**2,104**
Supplies	1,228	9,853	**11,081**
Insurance	10,320	5,897	**16,217**
Utilities	13,710	24,235	**37,945**
Miscellaneous	7,306	808	**8,114**
Engineering	-	1,008	**1,008**
Outside services	22,937	10,556	**33,493**
Fuel	2,225	1,273	**3,498**
Water purchased	143,630	-	**143,630**
Water assessments	15,051	-	**15,051**
Monitoring and testing	689	39,624	**40,313**
System maintenance	5,915	152,889	**158,804**
Total System Operation and Maintenance	265,777	286,571	**552,348**
Administrative and General:			
Salaries	27,097	26,695	**53,792**
Payroll taxes	2,154	2,122	**4,276**
Retirement	786	771	**1,557**
Health insurance	16,261	9,909	**26,170**
Audit and accounting	7,542	4,237	**11,779**
Supplies	3,390	5,181	**8,571**
Insurance	2,358	1,347	**3,705**
Legal	179	-	**179**
Advertising and legal notices	-	-	**-**
Telephone and postage	3,726	530	**4,256**
Utilities	491	305	**796**
Travel and transportation	-	-	**-**
Miscellaneous	5,371	3,163	**8,534**
Engineering	5,255	4,659	**9,914**
Outside services	5,596	427	**6,023**
Fuel	514	294	**808**
IT service	7,485	4,277	**11,762**
Software maintenance	268	221	**489**
Total Administrative and General	88,473	64,138	**152,611**
Depreciation and Amortization	50,761	60,998	**111,759**
Total Operating Expenses	405,011	411,707	**816,718**
Operating Income (Loss)	(617)	111	**(506)**
Non-Operating Revenues (Expenses)			
Interest income	2	71	**73**
Sale of assets	-	-	**-**
Grant proceeds	-	-	**-**
Insurance proceeds	-	-	**-**
Total Non-Operating Revenues (Expenses)	2	71	**73**
Income (Loss) before contributions and transfers	(615)	182	**(433)**
Contributions	-	-	**-**
Transfers In (Out)	-	-	**-**
Change in Net Position	(615)	182	**(433)**
Net Position - beginning of year	4,779,155	2,756,726	**7,535,881**
Net Position - End of Year	$ 4,778,540	$ 2,756,908	**$ 7,535,448**

See accompanying notes to the basic financial statements

TOWN OF PIERCE, COLORADO

Statement of Cash Flows

Proprietary Funds

December 31, 2021

	Business-Type Activities		
	Water	Sewer	Total
Cash Flows From Operating Activities:			
Cash received from customers	$ 370,099	$ 369,327	**$ 739,426**
Cash payments to employees	(65,807)	(63,067)	**(128,874)**
Cash payments to suppliers	(286,894)	(293,154)	**(580,048)**
Other non-operating revenues	13,086	11,555	**24,641**
Internal activity - payments to other funds	-	-	**-**
Net Cash Flows From Operating Activities	30,484	24,661	**55,145**
Cash Flows From Non-Capital Financing Activities:			
Operating transfers in	-	-	**-**
Operating transfers out	-	-	**-**
Grants	-	-	**-**
Insurance proceeds	-	-	**-**
Net Cash Flows From Non-Capital Financing Activities	-	-	**-**
Cash Flows From Capital and Related Financing Activities:			
Acquisition of capital assets	(313,000)	(7,777)	**(320,777)**
Proceeds from long-term debt	-	-	**-**
Capital contributions	-	-	**-**
Principal payments on long-term debt	-	-	**-**
Interest payments on long-term debt	-	-	**-**
Net Cash Flows From Capital and Related Financing Activities	(313,000)	(7,777)	**(320,777)**
Cash Flows From Investing Activities:			
Interest on investments	2	71	**73**
Net Cash Flows From Investing Activities	2	71	**73**
Net Increase (Decrease) in Cash and Cash Equivalents	(282,514)	16,955	**(265,559)**
Cash and Cash Equivalents - January 1	783,381	726,670	**1,510,051**
Cash and Cash Equivalents - December 31	$ 500,867	$ 743,625	**$ 1,244,492**
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	$ (617)	$ 111	**$ (506)**
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	50,761	60,998	**111,759**
Changes in assets and liabilities:			
Receivables	(21,209)	(30,936)	**(52,145)**
Prepaid expenses	(5,230)	(43)	**(5,273)**
Due from other funds	-	-	**-**
Payables and other accrued expenses	6,779	(5,469)	**1,310**
Due to other funds	-	-	**-**
Net Cash Flows From Operating Activities	$ 30,484	$ 24,661	**$ 55,145**

See accompanying notes to the basic financial statements

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Form of Organization

The Town of Pierce, Colorado (Town) was founded on August 30, 1918 as a statutory town. The statutes provide that the mayor is the chief administrative officer and that the Board of Trustees shall be the policy-making authority. The following services are currently offered by the Town: General government, public safety, public works (streets, trash, street lighting), parks and recreation, community development and water and sewer service.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting and reporting policies and practices are described below.

Reporting Entity

The reporting entity consists of only the Town, a primary government that is a general-purpose local government. This primary government has a separately elected governing body and it is legally separate, as well as financially independent of other state and local governments. The primary government may appoint a simple majority of the organization's governing board or have the ability to impose its will on the organization. A component unit may be a financial benefit or burden to the primary government and is a legally separate organization of which the elected officials of the primary government are financially accountable. The Town does not have any component units.

New Accounting Pronouncements

GASB Statement No 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period.* This statement establishes accounting requirements for interest cost incurred before the end of construction period to be expensed in the period in which the cost is incurred. Implementation had no impact on the Town's financial statements.

GASB Implementation Guide No. 2019-1, addressing topics ranging from irrevocable split-interest agreements and tax abatements to derivative instruments and postemployment benefits. Implementation had no impact on the Town's financial statements.

Basic Financial Statements

Government-Wide Financial Statements consist of Statement of Net Position and Statement of Activities, these statements report information about the reporting entity as a whole. These statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, the assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period earned while expenses are recognized in the period the liability is incurred, regardless of the timing of the related cash flows.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements (continued)

Governmental Fund Financial Statements consist of Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balance for all major governmental funds and non-major funds aggregated. These statements are presented on the "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are recognized when received in cash, except for revenues subject to accrual (generally 60 days after year-end) are recognized when due.

The Town reports the following major **Governmental Funds**:

- **General Fund** is the general operating fund of the Town and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

- The **Conservation Trust Fund** is a special revenue fund used to account for revenues derived primarily from intergovernmental revenues (Colorado Lottery) and earnings on investments. The use of these funds is legally restricted to the following activities: acquisition, development and maintenance of new conservation sites or for capital improvements or maintenance for recreation purposes on any public site (parks, trails, sports facilities, arenas or community centers).

The Town reports the following major **Proprietary Fund**:

- **Water Fund** is used to account for the water use fees and the expenses associated with providing water services to Town residents.

- **Sewer Fund** is used to account for the sewer use fees and the expenses associated with providing wastewater services to Town residents.

Required supplementary information includes Management's Discussion and Analysis which includes an analytical overview of the Town's financial activities. In addition, budgetary comparison schedules are presented for all funds that compare the adopted and modified budget with actual results.

The Town does not have any **Fiduciary Funds**.

Budgets and Budgetary Accounting:

An annual budget and appropriation resolutions is adopted by the Town in accordance with the Colorado State Statutes. The budget for all funds is prepared on a basis consistent with generally accepted accounting principles (GAAP), except that bond and loan proceeds are treated as other financing sources and debt service principal payments and capital outlays are treated as expenditures.

Budgeted amounts are as originally adopted or as increased by supplemental appropriations. Budget appropriations lapse at year-end. Budgetary comparisons with actual revenues and expenditures are included as required supplemental information for the General and Conservation Trust funds and as other supplemental information for the Water and Sewer funds. The following is a summary of the original, total revisions and revised budgets for those funds with amended budgets in year 2021:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (continued)

	Original Budget	Total Revisions	Revised Budget
Governmental Funds			
General Fund	$ 1,027,450	$ -	$ 1,027,450
Conservation Trust Fund	15,000	-	15,000
Proprietary Funds			
Water Fund	503,000	300,000	803,000
Sewer Fund	408,400	50,000	458,400
Total Funds	$ 1,953,850	$ 350,000	$ 2,303,850

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- On or before August 25, the County Assessor submits to the Town the new assessed valuation and other amounts needed to compute the statutory property tax revenue limit.
- On or before October 15, the Budget Committee submits to the Town Board of Trustees a proposed operating budget for the following fiscal year commencing January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- On or before December 15, the Town certifies the mill levy to the Board of County Commissioners.
- On or before December 22, the Board of County Commissioners certifies the levy against the assessed valuation on all taxable properties.
- Prior to December 31, the Town legally adopts the budget.

Designated for Subsequent Year's Expenditures

Designated fund balance is the portion of the fund balance that is appropriated in the succeeding year's budget.

Compensated Absences

The Town reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences.* Personal leave benefits are accrued as a liability as the benefits are earned if the employee' rights to receive compensation are attributable to services rendered and it is probable that the Town will compensate the employees for the benefits earned. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation and compensatory time at their current rate of pay, there is no payment for sick leave upon termination.

Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements. The Town has recorded a liability of $9,936 at December 31, 2021. There is no accrual in the fund financial statements.

Cash and Cash Equivalents

For purposes of the basic financial statements and the statement of cash flows, the Town considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (continued)

The Town pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the Town's investments.

Restricted Cash and Investments

The Town received funds from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program. This program is intended to provide support to State, territorial, local and Tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents and businesses. These funds may only be used in compliance with section 603(c.) of the Social Security Act, Treasury's regulations implementing that section, and guidance issued by the Treasury.

Investments

Investments are carried at fair value plus accrued interest with net appreciation or depreciation on investments included in earnings on investments. See Note 3 for further discussion.

Investments are reported in accordance with GASB Statement 72, as amended.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the governmental-wide financial statements. The Town records its property and equipment at historical cost. Contributed capital assets are valued at their estimated fair value on the date donated. Maintenance and repairs are charged to current period operating expenses, whereas additions and improvements are capitalized. Upon retirement or other disposition of property and equipment, the costs and related accumulated depreciation are removed from the respective accounts and any gains or losses are included in operations. Interest costs relating to construction are capitalized. During year ended December 31, 2021, no interest was capitalized. The Town's capitalization level is $2,000 for capital assets.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Land and Water rights	NA
Buildings and improvements	7 to 50
Machinery and equipment	5 to 15
Infrastructure	7 to 50
Utility systems	25 to 50

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
Capital Assets (continued)
As a result of Statement No. 34, the Town is accounting for infrastructure and capital assets on its financial statements. The government-wide financial statements include those assets that were completed during the fiscal year-end, considered construction in progress or purchased or constructed in prior years. The Town has elected to capture infrastructure assets with the implementation of Statement No. 34 (the prospective approach).

Use of Estimates
The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Receivables
Receivables are considered fully collectible and therefore are reported at their gross value.

Equity - Net Position
For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed.

Equity - Fund Balance
In the governmental funds, fund balances should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, or unassigned. The following classifications describe the relative strength of spending constraints:

(1) ***Nonspendable Fund Balance*** – the portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
(2) ***Restricted Fund Balance*** – the portion of fund balance that is constrained to be used for a specific purpose by external parties (creditors, grantors, or contributors), enabling legislation or constitutional provisions.
(3) ***Committed Fund Balance*** – the portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making, the Town Board. The constraint may be removed or changed only through form action of the Town's Board through approval of resolutions.
(4) ***Assigned Fund Balance*** – the portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Town Board to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity - Fund Balance (continued)

(5) ***Unassigned Fund Balance*** – the residual portion of fund balance that does not meet any of the criteria described above. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

If more than one classification of fund balances is available for use when an expenditure is incurred, it is the Town's practice to use the most restrictive classification first.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Article X, Section 20, of the Colorado Constitution contains several limitations, including revenue raising, spending abilities and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The Town believes that it is in compliance with the requirements of the amendment. However, the Town has made certain interpretations of the amendment's language in order to determine its compliance.

The amendment excludes from its provisions Enterprises. Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less that ten percent of their annual revenue in grants from all state and local governments combined, are excluded from the provisions of the Amendment.

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue. At a special election on November 7, 1995, voters approved a ballot issue regarding the Town's retention of revenues collected in excess of the fiscal spending limits for 1994, also to be effective for all years thereafter.

At an election held on April 5, 2016, voters approved a ballot issue for the Town to retain the current mill levy at a constant rate of 10.454 mills for a period of ten years (June 1, 2016 through May 31, 2025).

The Amendment requires that Emergency Reserves be established. The reserves must be at least three percent of the fiscal year spending (excluding bonded debt service). The Town is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, salary or benefit increases. The Town has restricted $42,082 for this purpose.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

Cash deposits and investments are reported in the financial statements as follows:

	Governmental Activities	Business-Type Activities	Total
Cash and cash equivalents	$ 973,082	$ 698,912	$ 1,671,994
Cash with county treasurer	4,565	-	4,565
Investments: Local govt investment pools	461,346	545,580	1,006,926
Restricted: Local govt investment pools	142,390	-	142,390
Total	**$ 1,581,383**	**$ 1,244,492**	**$ 2,825,875**

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Cash deposits and investments consist of the following:

	Governmental Activities	Business-Type Activities	Total
Cash on hand and deposit	$ 4,765	$ 200	$ 4,965
Bank accounts	972,882	698,712	1,671,594
Investments	603,736	545,580	1,149,316
Total	**$ 1,581,383**	**$ 1,244,492**	**$ 2,825,875**

Cash Deposits

As of December 31, 2021, the carrying amount of the Town's deposits was $1,671,594 and the corresponding bank balance was $1,681,315.

Custodial Credit Risk is the risk that, in the event of the failure of a bank failure, the government's deposits may not be returned to it. Town bank accounts at year-end were entirely covered by federal depository insurance or by eligible collateral maintained by another financial institution or held by the Town's custodial banks in its name under provisions of the Colorado Public Deposit Protection Act (CPDPA). The CPDPA requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate uninsured deposits.

The State Regulatory Commissions for banks are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which a political subdivision may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2021, the Town had the following investments:

	S&P Rating	Investment Maturities in Years: Less than 1	1 to 5	6 to 10	More than 10	Total
Local govt investment pools	AAAm	$ 1,149,316	$ -	$ -	$ -	$ 1,149,316
Total		**$ 1,149,316**	**$ -**	**$ -**	**$ -**	**$ 1,149,316**

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)
Investments (continued)
The Town's policy is to hold investments until maturity and to invest its funds in a manner which will provide for the highest investment return consistent with the preservation of principal and provision of the liquidity necessary for daily cash flow demands.

Interest Rate Risk is the risk that changes in interest rate will adversely affect the fair value of an investment. The Town investment portfolio does not contain investments that exceed the five-year limitation imposed by Colorado Statutes.

Credit Risk is the risk that an issuer or other counterparts to an investment in debt securities will not fulfill its obligations to the Town. The Town's investment policy follows Colorado Revised Statues.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of a Town's investment in a single issuer. The Town has no such policy limiting how much can be with one financial institution.

Custodial Credit Risk is the risk that, in the event of the failure of the issuer or counterparty, the Town will not be able to recover the value of its investment or related collateral securities that are in the possession of an outside party. The Town had custodial credit risk for its investments at December 31, 2021.

Foreign Currency Risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value, as a result of changes in foreign currency exchange rates. The Town has no policy for foreign currency risk since all are in the form of certificates of deposit.

Local Governmental Investment Pools, the Town had investments in the Colorado Local Government Liquid Asset Trust (COLOTRUST), a local government investment pool, comprised of two funds: COLOTRUST PRIME and COLOTRUST PLUS+. Prime invests only in U.S. Treasury and government agencies, while Plus invests in U.S. Treasury, government agencies and in the highest-rated commercial paper. Both investment pools are rated AAAm by S&P Global Ratings and operate similar to a money market fund with a share value equal to $1.00 and a maximum weighted average maturity of 60 days. As an investment pool, COLOTRUST operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. The Trust is exempt from registration with the Securities and Exchange Commission. For more information on COLOTRUST call (303) 864-7474 or go to www.colotrust.com.

Fair Value of Investments, the Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs.

There is a hierarchy of three levels of inputs that may be used to measure fair value, as follows:

Level 1: Quoted prices in active markets for an identical asset or liability that a government can access at the measurement date.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.
Level 3: Unobservable inputs for an asset or liability.

The Town's investment in COLOTRUST is measured at net asset value, equal to $1.00 per share. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period. There is not an investment component to be valued under GASB Statement 72, *Fair Value Measurement and Application.*

Investment Income

Investment income, is reported in the financial statements as follows:

	Governmental Activities	Business-Type Activities	Total
Interest income	$ 255	$ 73	$ 328
Net increase (decrease) in the fair value of investments	-	-	-
Total	**$ 255**	**$ 73**	**$ 328**

The net increase (decrease) in the fair value of investments represents the difference in fair value from one year to the next. This figure will vary year to year depending on the fair market value of the investments at year end and is not a budgetary item.

NOTE 4 – FUND BALANCE

The specific purpose for each fund balance classification on the balance sheet is detailed below:

Fund Balances	General Fund	Conservation Trust Fund	Total
Nonspendable:			
Prepaids	$ 732	$ -	$ 732
Restricted:			
Emergencies (TABOR Reserve)	42,082	-	42,082
Parks and recreation	-	78,202	78,202
SLRFR program	142,390	-	142,390
Total	184,472	78,202	262,674
Commited:			
Subsequent years expenditures	1,120,229	2,990	1,123,219
Unassigned:			
General Government	329,992	-	329,992
Total Fund Balances	**$ 1,635,425**	**$ 81,192**	**$ 1,716,617**

NOTE 5 - PROPERTY TAXES RECEIVABLE

Under Colorado law, all property taxes become due and payable in the calendar year following that in which they are levied. Property taxes levied by the General Fund in the current year, 2021, to be collected in the subsequent year, 2022 are accrued as a receivable as of December 31, 2021 and offset by a deferred revenue account.

The Town's property tax calendar for 2021 is as follows:

Lien Date	January 1, 2021
Levy Date	November 1, 2021
Tax bills mailed	January 1, 2022
First installment due	February 28, 2022
Second installment due	June 15, 2022
If paid in full, due	April 30, 2022
Tax sale – delinquent taxes	November 15, 2022

NOTE 6 – SHORT-TERM DEBT

The Town had no short-term debt obligations and had no borrowing during the year ending December 31, 2021.

	Beg Balance	Additions	Retirements	End Balance
Short-Term Debt	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -

Other Debt and Line of Credit

The Town has no other debt or unused lines of credit.

NOTE 7 – CAPITAL ASSETS

The following is a summary of capital assets for the Governmental Activities as of December 31, 2021:

Governmental Activities	Beg Balance	Additions	Retirements	End Balance
Non-Depreciable Assets:				
Land	$ 221,878	$ -	$ -	$ 221,878
Depreciable Assets:				
Buildings and improvements	394,311	127,220	-	521,531
Machinery and equipment	294,471	61,829	-	356,300
Totals at Historical Cost	910,660	189,049	-	1,099,709
Less: Accumulated Depreciation for:				
Buildings and improvements	(219,679)	(17,716)	-	(237,395)
Machinery and equipment	(245,055)	(21,872)	-	(266,927)
Total Accumulated Depreciation	(464,734)	(39,588)	-	(504,322)
Capital Assets - Net	$ 445,926	$ 149,461	$ -	$ 595,387

NOTE 7 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to Governmental Activities as follows:

General government	$	9,811
Public Safety		291
Culture and recreation		7,719
Highways and streets		21,767
Total Depreciation Expense - Governmental Activities	$	39,588

The following is a summary of capital assets for the Business-Type Activities as of December 31, 2021:

Business-Type Activities	Beg Balance	Additions	Retirements	End Balance
Non-Depreciable Assets:				
Land	$ 26,220	$ -	$ -	$ 26,220
Water rights	2,301,165	305,000	-	2,606,165
Depreciable Assets:				
Utility systems	5,491,141	15,777	-	5,506,918
Machinery and equipment	151,779	-	-	151,779
Construction in progress	-	-	-	-
Totals at Historical Cost	7,970,305	320,777	-	8,291,082
Less: Accumulated Depreciation for:				
Utility systems	(1,807,870)	(107,160)	-	(1,915,030)
Machinery and equipment	(141,195)	(4,599)	-	(145,794)
Total Accumulated Depreciation	(1,949,065)	(111,759)	-	(2,060,824)
Capital Assets - Net	$ 6,021,240	$ 209,018	$ -	$ 6,230,258

Depreciation expense was charged to Business-Type Activities as follows:

Water fund	$	50,761
Sewer fund		60,998
Total Depreciation Expense - Business-Type Activities	$	111,759

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS

A summary of interfund activities at December 31, 2021 is as follows:

Governmental Activities	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
General Fund	$ 26,320	$ -	$ -	$ -
Conservation Trust Fund	-	26,320	-	-
Total Governmental Activities	26,320	26,320	-	-
Business-Type Activities				
Water Fund	-	-	-	-
Sewer Fund	-	-	-	-
Total Business-Type Activities	-	-	-	-
Total	$ 26,320	$ 26,320	$ -	$ -

Internal balances are reflected on the government-wide financial statements as the net between funds, as of December 31, 2021 that balance was $26,320. Transfers from Conservation Trust to General Fund are accounted for in accordance with budgetary authorizations.

NOTE 9 – LONG-TERM OBLIGATIONS

Direct Borrowings – Note Payable – NCL Governmental Capital

On March 5, 2021, the Town entered into a finance purchase agreement with Lease Servicing Center, Inc. dba NCL Governmental Capital for a Kubota Model M5-111HDC-1 Tractor in the amount of $61,829. The terms of the agreement require monthly payments of $1,148, including interest at a 4.33% annual rate, with the first payment due on April 15, 2021 and final payment due March 15, 2026.

The Town irrevocably pledged and granted a lien upon the tractor for repayment of this agreement. The agreement may be prepaid in whole or in part without penalty upon prior written notice of not less than thirty (30) days. Prepayments shall be applied first to accrued interest and then to principal on the loan.

The Note shall be in default under this agreement upon certain events or conditions. Upon such default, the outstanding principal and interest, may at once, become due and payable and said collateral be sold in the same manner and with the same effect as if said indebtedness had matured.

The balance due on direct borrowings from Lease Servicing Center, Inc.as of December 31, 2021 is $53,384.

Capital Lease Obligations

The Town leases machinery and equipment under non-cancelable leases expiring at various dates that meet the criteria for capitalization. These capital leases are financed with General Fund resources.

- **Copier** - On July 26, 2019, the Town entered into a lease agreement for a Canon printer/copier/scanner. The agreement requires a minimum monthly lease payment of $100, plus additional charges for excess usage and applicable taxes.

The related present value of the remaining obligations under the capital leases at December 31, 2021 are included in the capital assets and long-term liabilities, accordingly.

NOTE 9 – LONG-TERM OBLIGATIONS (CONTINUED)

Future required minimum obligations under capital leases are as follows:

Yead Ending December 31	Principal	Interest	Total
2022	$ 700	$ -	$ 700
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
Total	**$ 700**	**$ -**	**$ 700**

Other Debt and Line of Credit

The Town has no other debt or unused lines of credit.

Changes in Long-Term Obligations

Notes for Direct Borrowings	12/31/2020	Additions	Reductions	12/31/2021	Due Within One Year
Governmental Activities:					
Copier lease	$ 1,900	$ -	$ (1,200)	$ 700	$ 700
NCL governmental capital	-	61,829	(8,445)	53,384	11,694
Total Governmental Activities	1,900	61,829	(9,645)	54,084	12,394
Business-Type Activities:					
Water Fund	-	-	-	-	-
Sewer Fund	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	-
Total	1,900	61,829	(9,645)	54,084	12,394

NOTE 10 – DEBT SERVICE REQUIREMENTS

Summary of debt service requirements with principal and interest to maturity:

Yead Ending December 31	Principal	Interest	Total
2022	$ 11,694	$ 2,082	$ 13,776
2023	12,210	1,566	13,776
2024	12,749	1,027	13,776
2025	13,313	463	13,776
2026	3,418	25	3,443
Total	**$ 53,384**	**$ 5,163**	**$ 58,547**

NOTE 11 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and subcontractors; and natural disasters. The Town purchases commercial insurance for most risks of loss. As of December 31, 2021, the Town did not have any liabilities in excess of insurance limits. Claims have not exceeded insurance coverage in the prior three years.

NOTE 12 – CONTINGENCIES

In the opinion of the Town's management and counsel, there is no material pending or threatened litigation, claims, and assessments. Furthermore, the Town's management and counsel are unaware of any unasserted possible claims or assessments that are probable of assertion and must be disclosed as of December 31, 2021.

NOTE 13 – VALIC RETIREMENT PLAN

Plan Description

Town employees may voluntarily contribute to the Voluntary Investment Program (457 Plan), an Internal Revenue Code Section 457 defined contribution plan administered by the Variable Annuity Life Insurance Company (VALIC).

Investments are managed by the plan's administrator under several different investment options, or combinations thereof. The choice of the investment option(s) is made by the participants. The Town has no management control over the assets of the plan. Accordingly, the assets of the plan are not included in these financial statements.

Funding Policy

The 457 Plan is funded by voluntary member contributions up to a maximum limit set by the IRS ($19,500 for the calendar year 2021). Catch-up contributions up to $6,500 for the calendar year 2021 were allowed for participants who had attained age 50 before the close of the plan year, subject to the limitations of IRS Section 414(v). The Town contributes three (3%) of the employee's salary into this plan. For the year ended December 31, 2021, the Town contributed $9,376.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are the solely the property and rights of the participants. The Town has no liability for losses under the plan and authorizes the benefits terms and authority to amend those terms.

NOTE 14 - POLICE DEPARTMENT CONTRACT

The Town does not employ a full-time police officer. The Town has a contract with the Town of Ault for all law enforcement services (except for enforcement of dog, weed or zoning ordinances) at the rate of $107,590 for 2021. A part-time Town employee administers the ordinances not covered by the law enforcement contract.

NOTE 15 – SUBSEQUENT EVENTS

The Town has evaluated events and transactions occurring subsequent to the end of the fiscal year for potential recognition or disclosure through July 1, 2022, the date on which the financial statements were issued, and did identify events or transactions that would have a material impact on the financial statements.

On June 16, 2022 the Town was offered by the Colorado Department of Local Affairs a grant award in the amount of $363,619 for the Pierce WCR 90-Rowe Ave Reconstruction Project.

REQUIRED SUPPLEMENTAL INFORMATION

TOWN OF PIERCE, COLORADO

Schedule of Revenues

*Budget to Actual - **General Fund***

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
	Budget			Variance - Favorable	2020
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Taxes:					
General property taxes	$ 339,150	$ 339,150	**$ 339,137**	$ (13)	$ 112,568
Delinquent property taxes	2,500	2,500	**-**	(2,500)	-
Specific ownership taxes	4,500	4,500	**17,033**	12,533	5,359
General sales and use taxes	245,000	245,000	**430,444**	185,444	349,805
Franchise taxes	38,000	38,000	**39,614**	1,614	41,119
Penalties and interest on delinquent taxes	100	100	**184**	84	187
Total Taxes	629,250	629,250	**826,412**	197,162	509,038
Licenses and Permits:					
Business	600	600	**105**	(495)	(700)
Non-business	34,000	34,000	**21,563**	(12,437)	35,685
Total Licenses and Permits	34,600	34,600	**21,668**	(12,932)	34,985
Intergovernmental Revenues:					
State Grants:					
Cigarette tax	500	500	**2,277**	1,777	1,158
Highway users tax	33,500	33,500	**52,502**	19,002	41,566
State Shared Revenues:					
Additional motor vehicle registration fees	4,500	4,500	**6,556**	2,056	6,155
Severance tax	39,000	39,000	**11,211**	(27,789)	39,266
Other Governmental Units:					
Weld County road and bridge funds	4,000	4,000	**21,622**	17,622	6,202
Total Intergovernmental Revenues	81,500	81,500	**94,168**	12,668	94,347
Charges for Services:					
Sanitation:					
Refuse collection charges	47,000	47,000	**63,384**	16,384	52,115
Health:					
Animal control	-	-	**-**	-	-
Drainage fee	4,900	4,900	**5,899**	999	11,599
Road impact fee	-	-	**880**	880	2,735
Total Charges for Services	51,900	51,900	**70,163**	18,263	66,449
Fines and Forfeitures - Court Fines	1,200	1,200	**27,765**	26,565	1,250
Miscellaneous Revenues:					
Earnings on investments	25,000	25,000	**245**	(24,755)	1,761
Other income	17,000	17,000	**29,858**	12,858	12,295
Sale of assets	-	-	**-**	-	-
Insurance proceeds	-	-	**-**	-	-
Loan proceeds	-	-	**61,829**	61,829	-
Contributions	-	-	**-**	-	15,573
Grants	-	-	**284,779**	284,779	-
Total Miscellaneous Revenues	42,000	42,000	**376,711**	334,711	29,629
Total Revenues	$ 840,450	$ 840,450	**$ 1,416,887**	$ 576,437	$ 735,698

TOWN OF PIERCE, COLORADO

Schedule of Expenditures

*Budget to Actual - **General Fund***

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
	Budget			Variance - Favorable	2020
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
General Government:					
Legislative:					
Council fees	$ 12,000	$ 12,000	**$ 7,400**	$ 4,600	$ 7,450
Payroll taxes	1,000	1,000	**566**	434	570
Miscellaneous	100	100	**-**	100	60
Legal	5,000	5,000	**-**	5,000	5,937
Advertising and legal notices	100	100	**-**	100	109
Ordinances and proceedings	-	-	**-**	-	-
Total Legislative	18,200	18,200	**7,966**	10,234	14,126
Judicial:					
Municipal judge	1,500	1,500	**2,160**	(660)	1,170
Supplies	200	200	**116**	84	98
Miscellaneous	100	100	**-**	100	-
Outside services	1,500	1,500	**1,125**	375	225
Total Judicial	3,300	3,300	**3,401**	(101)	1,493
Elections	4,250	4,250	**-**	4,250	2,355
Administration:					
Salaries	85,000	85,000	**78,981**	6,019	78,671
Payroll taxes	8,000	8,000	**6,278**	1,722	6,252
Retirement	3,000	3,000	**2,251**	749	2,416
Employee's health insurance	27,000	27,000	**20,851**	6,149	16,345
Audit and accounting	12,000	12,000	**9,996**	2,004	9,414
Treasurer's fees	1,500	1,500	**3,393**	(1,893)	1,128
Supplies	17,500	17,500	**16,355**	1,145	17,942
Insurance	20,000	20,000	**16,300**	3,700	14,956
Legal	25,000	25,000	**14,492**	10,508	16,226
Advertising and legal notices	6,000	6,000	**7,666**	(1,666)	3,932
Codification ordinances	1,500	1,500	**-**	1,500	835
Telephone and postage	8,000	8,000	**6,552**	1,448	6,964
Utilities	10,500	10,500	**9,779**	721	6,814
Travel and transportation	1,500	1,500	**289**	1,211	-
Miscellaneous	26,000	26,000	**28,280**	(2,280)	19,725
Engineering	20,000	20,000	**21,831**	(1,831)	10,446
Outside services	5,000	5,000	**16,854**	(11,854)	1,568
Repairs	18,000	18,000	**43,478**	(25,478)	10,264
Fuel	2,500	2,500	**3,527**	(1,027)	1,623
IT service	10,000	10,000	**9,637**	363	8,841
Software maintenance	3,000	3,000	**466**	2,534	2,682
Lease obligation	-	-	**1,200**	(1,200)	-
Capital outlay	35,000	35,000	**-**	35,000	3,933
Total Administration	346,000	346,000	**318,456**	27,544	240,977
Planning and Zoning:					
Miscellaneous	13,800	13,800	**-**	13,800	4,143
Total Planning and Zoning	13,800	13,800	**-**	13,800	4,143
Total General Government	385,550	385,550	**329,823**	55,727	263,094

(continued on next page)

TOWN OF PIERCE, COLORADO

Schedule of Expenditures

*Budget to Actual - **General Fund (continued)***

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
	Budget			Variance - Favorable	2020
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Public Safety: Police					
Police department contract	$ 105,000	$ 105,000	**$ 107,590**	$ (2,590)	$ 96,484
Salaries	25,000	25,000	**22,505**	2,495	20,617
Payroll taxes	2,100	2,100	**1,788**	312	1,638
Retirement	1,200	1,200	**687**	513	620
Supplies	200	200	**116**	84	99
Insurance	-	-	**-**	-	-
Legal	-	-	**-**	-	-
Miscellaneous	-	-	**-**	-	1,594
Gas and oil	-	-	**-**	-	-
Capital outlay	-	-	**-**	-	-
Total Police	133,500	133,500	**132,686**	814	121,052
Building inspections	-	-	**2,711**	(2,711)	7,886
Total Public Safety	133,500	133,500	**135,397**	(1,897)	128,938
Public Works: Highways and Streets					
Salaries	49,000	49,000	**49,125**	(125)	44,044
Payroll taxes	4,000	4,000	**4,468**	(468)	3,499
Retirement	2,000	2,000	**1,580**	420	1,256
Supplies	8,000	8,000	**2,459**	5,541	1,333
Legal	500	500	**701**	(201)	461
Insurance	-	-	**-**	-	-
Miscellaneous	5,000	5,000	**779**	4,221	3,208
Outside services	5,000	5,000	**1,026**	3,974	70
Repairs	3,000	3,000	**644**	2,356	489
Fuel	2,500	2,500	**6**	2,494	-
Street lighting	20,000	20,000	**18,896**	1,104	17,685
System maintenance	14,000	14,000	**1,925**	12,075	7,845
Capital outlay	65,000	65,000	**84,979**	(19,979)	-
Total Highways and Streets	178,000	178,000	**166,588**	11,412	79,890
Sanitation: Waste Collection	45,000	45,000	**54,259**	(9,259)	48,545
Total Public Works	223,000	223,000	**220,847**	2,153	128,435
Health and Welfare - Animal Control	600	600	**-**	600	-
Culture - Recreation: Parks					
Salaries	35,000	35,000	**35,105**	(105)	30,486
Payroll taxes	3,000	3,000	**3,355**	(355)	2,422
Retirement	1,300	1,300	**1,197**	103	881
Supplies	3,000	3,000	**433**	2,567	4,016
Insurance	-	-	**-**	-	-
Telephone and postage	-	-	**842**	(842)	699
Utilities	3,500	3,500	**3,168**	332	4,112
Miscellaneous	3,000	3,000	**1,533**	1,467	541
Outside services	20,000	20,000	**24,989**	(4,989)	5,621
Fuel	1,000	1,000	**-**	1,000	67
System maintenance	15,000	15,000	**60**	14,940	12,754
Capital outlay	200,000	200,000	**104,070**	95,930	-
Total Culture - Recreation	284,800	284,800	**174,752**	110,048	61,599
Debt Service					
Principal	$ -	$ -	**$ 8,445**	$ (8,445)	$ -
Interest	-	-	**1,887**	(1,887)	-
Total Debt Service	-	-	**10,332**	(10,332)	-
Total Expenditures	$ 1,027,450	$ 1,027,450	**$ 871,151**	$ 156,299	$ 582,066

TOWN OF PIERCE, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis
Budget to Actual - ***General Fund***
Year Ended December 31, 2021
With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
	Budget			Variance -	
Non-GAAP Budgetary Basis	Original	Final	**Actual**	Favorable (Unfavorable)	**2020** Actual
Revenues:					
Taxes	$ 629,250	$ 629,250	**$ 826,412**	$ 197,162	$ 509,038
Licenses and permits	34,600	34,600	**21,668**	(12,932)	34,985
Intergovernmental revenues	81,500	81,500	**94,168**	12,668	94,347
Charges for services	51,900	51,900	**70,163**	18,263	66,449
Fines and forfeitures	1,200	1,200	**27,765**	26,565	1,250
Miscellaneous revenues	42,000	42,000	**376,711**	334,711	29,629
Total Revenues	840,450	840,450	**1,416,887**	576,437	735,698
Transfers In:					
Conservation Trust Fund	15,000	15,000	**-**	(15,000)	15,000
Total Transfers In	15,000	15,000	**-**	(15,000)	15,000
Total Revenues and Transfers In	855,450	855,450	**1,416,887**	561,437	750,698
Expenditures:					
General government	385,550	385,550	**329,823**	55,727	263,094
Public safety	133,500	133,500	**135,397**	(1,897)	128,938
Public works	223,000	223,000	**220,847**	2,153	128,435
Health and welfare	600	600	**-**	600	-
Culture - recreation	284,800	284,800	**174,752**	110,048	61,599
Debt service	-	-	**10,332**	(10,332)	-
Total Expenditures	1,027,450	1,027,450	**871,151**	156,299	582,066
Transfers Out:					
Water Fund	-	-	**-**	-	-
Total Transfers Out	-	-	**-**	-	-
Total Expenditures and Transfers Out	1,027,450	1,027,450	**871,151**	156,299	582,066
Excess (Deficit) of Revenues and Transfers over Expenditures and Transfers	$ (172,000)	$ (172,000)	**545,736**	$ 717,736	$ 168,632
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**189,049**		
Depreciation expense			**(39,588)**		
Sale of assets			**-**		
Long-term debt proceeds			**(61,829)**		
Long-term debt payments			**8,445**		
Compensated absences			**(3,605)**		
Capital lease obligation			**1,200**		
Accrued interest payable			**(101)**		
Change in Net Position			**$ 639,307**		

TOWN OF PIERCE, COLORADO

Budgetary Comparison Schedule

Budget to Actual - ***Conservation Trust Fund***

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
	Budget			Variance - Favorable	2020
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Revenues:					
Intergovernmental Revenue:					
State Grants:					
Conservation Trust Fund Apportionment	$ 9,000	$ 8,000	$ **14,004**	$ 6,004	$ 11,938
Total Intergovernmental Revenue	9,000	8,000	**14,004**	6,004	11,938
Charges for Services:					
Culture-Recreation:					
Park Fee	-	-	**600**	600	2,780
Miscellaneous Revenues:					
Earnings on investments	275	50	**10**	(40)	288
Other revenue	-	-	-	-	-
Total Revenues	9,275	8,050	**14,614**	6,564	15,006
Expenditures:					
General Government:					
Miscellaneous	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Transfers Out:					
General Fund	15,000	15,000	-	15,000	15,000
Total Transfers Out	15,000	15,000	-	15,000	15,000
Total Expenditures and Transfers Out	15,000	15,000	-	15,000	15,000
Excess (Deficit) of Revenues Over Expenditures and Transfers Out	$ (5,725)	$ (6,950)	**14,614**	$ 21,564	$ 6
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			-		
Depreciation expense			-		
Change in Net Position			$ **14,614**		

SUPPLEMENTAL INFORMATION

TOWN OF PIERCE, COLORADO

Schedule of Revenues

*Budget to Actual - **Water Fund***

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
	Budget			Variance - Favorable	2020
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Operating Revenues:					
Charges for services	$ 332,000	$ 332,000	**$ 375,453**	$ 43,453	$ 357,468
Water surcharges	10,000	10,000	**15,855**	5,855	14,257
Drainage fees	-	-	**-**	-	-
Tap fees	-	-	**-**	-	25,000
Total Operating Revenues	342,000	342,000	**391,308**	49,308	396,725
Non-Operating Revenues:					
Interest on investments	50	50	**2**	(48)	53
Transfer from other funds	-	-	**-**	-	-
Other revenue	7,500	7,500	**13,086**	5,586	9,564
Total Non-Operating Revenues	7,550	7,550	**13,088**	5,538	9,617
Miscellaneous Revenues:					
Contributions	-	-	**-**	-	374,000
Sale of assets	-	-	**-**	-	-
Grant proceeds	-	-	**-**	-	-
Insurance proceeds	-	-	**-**	-	-
Transfers In (Out)	-	-	**-**	-	-
Total Miscellaneous Revenues	-	-	**-**	-	374,000
Total Revenues	$ 349,550	$ 349,550	**$ 404,396**	$ 54,846	$ 780,342

TOWN OF PIERCE, COLORADO

Schedule of Expenditures

*Budget to Actual - **Water Fund***

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
	Budget			Variance - Favorable	2020
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Operating Expenditures:					
System Operation & Maintenance:					
Salaries	$ 40,000	$ 40,000	**$ 38,710**	$ 1,290	$ 35,543
Payroll taxes	3,300	3,300	**3,004**	296	2,824
Retirement	1,200	1,200	**1,052**	148	1,066
Health insurance	-	-	**-**	-	-
Supplies	10,000	10,000	**1,228**	8,772	8,180
Insurance	12,000	12,000	**10,320**	1,680	8,837
Utilities	13,000	13,000	**13,710**	(710)	11,388
Miscellaneous	1,000	1,000	**7,306**	(6,306)	497
Engineering	10,000	10,000	**-**	10,000	5,032
Outside services	10,000	10,000	**22,937**	(12,937)	44,603
Repairs	6,000	6,000	**-**	6,000	873
Fuel	2,000	2,000	**2,225**	(225)	784
Water purchased	180,000	180,000	**143,630**	36,370	140,738
Water augmentation	3,000	3,000	**-**	3,000	-
Water assessments	22,000	22,000	**15,051**	6,949	14,151
Monitoring and testing	2,000	2,000	**689**	1,311	1,087
System maintenance	15,000	15,000	**5,915**	9,085	4,153
Total System Operation & Maintenance	330,500	330,500	**265,777**	64,723	279,756
Administrative & General:					
Salaries	27,000	27,000	**27,097**	(97)	22,194
Payroll taxes	2,500	2,500	**2,154**	346	1,764
Retirement	2,000	2,000	**786**	1,214	676
Health insurance	22,000	22,000	**16,261**	5,739	16,348
Audit and accounting	10,000	10,000	**7,542**	2,458	7,324
Supplies	2,000	2,000	**3,390**	(1,390)	1,411
Insurance	5,000	5,000	**2,358**	2,642	2,795
Legal	10,000	10,000	**179**	9,821	1,102
Advertising and legal notices	2,000	2,000	**-**	2,000	500
Telephone and postage	3,000	3,000	**3,726**	(726)	2,119
Utilities	3,000	3,000	**491**	2,509	2,214
Travel and transportation	3,500	3,500	**-**	3,500	304
Miscellaneous	10,000	10,000	**5,371**	4,629	2,657
Engineering	10,000	10,000	**5,255**	4,745	4,689
Outside services	5,000	5,000	**5,596**	(596)	2,007
Fuel	-	-	**514**	(514)	444
IT service	8,000	8,000	**7,485**	515	6,771
Software maintenance	2,500	2,500	**268**	2,232	1,642
Total Administrative & General	127,500	127,500	**88,473**	39,027	76,961
Total Operating Expenditures	458,000	458,000	**354,250**	103,750	356,717
Non-Operating Expenditures:					
Capital outlay	45,000	345,000	**313,000**	32,000	374,000
Total Non-Operating Expenditures	45,000	345,000	**313,000**	32,000	374,000
Total Expenditures	$ 503,000	$ 803,000	**$ 667,250**	$ 135,750	$ 730,717

TOWN OF PIERCE, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

*Budget to Actual - **Water Fund***

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
	Budget			Variance - Favorable	2020
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	**2020** Actual
Revenues:					
Operating revenues	$ 342,000	$ 342,000	**$ 391,308**	$ 49,308	$ 396,725
Non-operating revenues	7,550	7,550	**13,088**	5,538	9,617
Miscellaneous revenues	-	-	**-**	-	374,000
Total Revenues	349,550	349,550	**404,396**	54,846	780,342
Expenditures:					
System operation & maintenance	330,500	330,500	**265,777**	64,723	279,756
Administrative & general	127,500	127,500	**88,473**	39,027	76,961
Capital outlay	45,000	345,000	**313,000**	32,000	374,000
Total Expenditures	503,000	803,000	**667,250**	135,750	730,717
Excess (Deficiency) of Revenues over Expenditures	$ (153,450)	$ (453,450)	**(262,854)**	$ 190,596	$ 49,625
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital assets purchases capitalized			**313,000**		
Depreciation expense			**(50,761)**		
Change in Net Position			**$ (615)**		

TOWN OF PIERCE, COLORADO

Schedule of Revenues

*Budget to Actual - **Sewer Fund***

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
	Budget			Variance -	
Non-GAAP Budgetary Basis	Original	Final	**Actual**	Favorable (Unfavorable)	**2020** Actual
Operating Revenues:					
Charges for services	$ 341,000	$ 341,000	**$ 400,263**	$ 59,263	$ 369,046
Tap Fees	-	-	**-**	-	8,550
Total Operating Revenues	341,000	341,000	**400,263**	59,263	377,596
Non-Operating Revenues:					
Interest on investments	2,250	2,250	**71**	(2,179)	2,329
Other revenue	4,300	4,300	**11,555**	7,255	8,527
Total Non-Operating Revenues	6,550	6,550	**11,626**	5,076	10,856
Miscellaneous Income:					
Contributions	-	-	**-**	-	-
Sale of assets	-	-	**-**	-	-
Insurance proceeds	-	-	**-**	-	-
Transfers In (Out)	-	-	**-**	-	-
Total Miscellaneous Revenues	-	-	**-**	-	-
Total Revenues	$ 347,550	$ 347,550	**$ 411,889**	$ 64,339	$ 388,452

TOWN OF PIERCE, COLORADO

Schedule of Expenditures

*Budget to Actual - **Sewer Fund***

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
	Budget			Variance - Favorable	2020
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Operating Expenditures:					
System Operation & Maintenance:					
Salaries	$ 40,000	$ 40,000	**$ 36,372**	$ 3,628	$ 35,543
Payroll taxes	3,500	3,500	**3,004**	496	2,824
Retirement	1,500	1,500	**1,052**	448	1,066
Health insurance	-	-	**-**	-	-
Supplies	15,000	15,000	**9,853**	5,147	7,434
Insurance	10,000	10,000	**5,897**	4,103	5,050
Legal	2,500	2,500	**-**	2,500	-
Telephone and postage	-	-	**-**	-	-
Utilities	28,000	28,000	**24,235**	3,765	21,310
Miscellaneous	1,000	1,000	**808**	192	375
Engineering	15,000	15,000	**1,008**	13,992	4,188
Outside services	10,000	10,000	**10,556**	(556)	11,835
Repairs	2,000	2,000	**-**	2,000	1,501
Fuel	1,000	1,000	**1,273**	(273)	511
Monitoring and testing	45,000	45,000	**39,624**	5,376	39,793
System maintenance	110,000	160,000	**152,889**	7,111	103,952
Total System Operation & Maintenance	284,500	334,500	**286,571**	47,929	235,382
Administrative & General:					
Salaries	27,000	27,000	**26,695**	305	21,782
Payroll taxes	2,200	2,200	**2,122**	78	1,731
Retirement	1,200	1,200	**771**	429	663
Health insurance	15,000	15,000	**9,909**	5,091	9,191
Audit and accounting	5,000	5,000	**4,237**	763	4,187
Supplies	2,000	2,000	**5,181**	(3,181)	727
Insurance	5,000	5,000	**1,347**	3,653	1,597
Legal	5,000	5,000	**-**	5,000	-
Advertising and legal notices	500	500	**-**	500	292
Codification ordinances	-	-	**-**	-	-
Telephone and postage	4,000	4,000	**530**	3,470	1,240
Utilities	1,000	1,000	**305**	695	121
Travel and transportation	3,500	3,500	**-**	3,500	-
Miscellaneous	10,000	10,000	**3,163**	6,837	4,324
Engineering	10,000	10,000	**4,659**	5,341	4,010
Outside services	1,000	1,000	**427**	573	15
Fuel	-	-	**294**	(294)	262
IT service	5,000	5,000	**4,277**	723	3,871
Software maintenance	1,500	1,500	**221**	1,279	781
Total Administrative & General	98,900	98,900	**64,138**	34,762	54,794
Total Operating Expenditures	383,400	433,400	**350,709**	82,691	290,176
Non-Operating Expenditures:					
Capital outlay	25,000	25,000	**7,777**	17,223	-
Total Non-Operating Expenditures	25,000	25,000	**7,777**	17,223	-
Total Expenditures	$ 408,400	$ 458,400	**$ 358,486**	$ 99,914	$ 290,176

TOWN OF PIERCE, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

Budget to Actual - ***Sewer Fund***

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
	Budget			Variance - Favorable	2020
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Revenues:					
Operating revenues	$ 341,000	$ 341,000	**$ 400,263**	$ 59,263	$ 377,596
Non-operating revenues	6,550	6,550	**11,626**	5,076	10,856
Miscellaneous revenues	-	-	**-**	-	-
Total Revenues	347,550	347,550	**411,889**	64,339	388,452
Expenditures:					
System operations & maintenance	284,500	334,500	**286,571**	47,929	235,382
Administrative & general	98,900	98,900	**64,138**	34,762	54,794
Non-operating	25,000	25,000	**7,777**	17,223	-
Total Expenditures	408,400	458,400	**358,486**	99,914	290,176
Excess (Deficiency) of Revenues over Expenditures	$ (60,850)	$ (110,850)	**53,403**	$ 164,253	$ 98,276
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital assets purchases capitalized			**7,777**		
Depreciation expense			**(60,998)**		
Change in Net Position			**$ 182**		

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT		City or County: **TOWN OF PIERCE, COLORADO**
		YEAR ENDING : **December 2021**
This Information From The Records Of (example - City of _ or County of	Prepared By: Phone:	**KRISTINA DURAN, TOWN CLERK** (970) 834-2851

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	(15,640)
3. Other local imposts (from page 2)	21,622
4. Miscellaneous local receipts (from page 2)	0
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	5,982
B. Private Contributions	
C. Receipts from State government (from page 2)	58,336
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	64,318

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	0
2. Maintenance:	23,405
3. Road and street services:	
a. Traffic control operations	0
b. Snow and ice removal	0
c. Other **Street Lighting**	18,896
d. Total (a. through c.)	18,896
4. General administration & miscellaneous	0
5. Highway law enforcement and safety	22,017
6. Total (1 through 5)	64,318
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
2. Notes:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	0
D. Payments to toll facilities	0
E. Total disbursements (A.6 + B.3 + C + D)	64,318

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
0	64,318	64,318	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: **Colorado**
	YEAR ENDING (mm/yy): **December 2021**

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments	0	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalities	0
1. Sales Taxes	0	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	21,622	g. Other Misc. Receipts	0
6. Total (1. through 5.)	21,622	h. Other	0
c. Total (a. + b.)	21,622	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	51,930	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	6,406	d. Federal Transit Admin	0
d. Other (Specify)	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	6,406	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	58,336	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	0	0	0
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	0	0
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments: